

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06  
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-12 PA-01  
PRS-01 /112 W

-----110054 260515Z /21

R 252006Z NOV 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 6537

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EO 11652: N/A

TAGS: BEXP, EFIN, ENRG, MX

SUBJECT: WIRENOTE FROM JACK H. RAY, PRESIDENT, TENNESSEE  
GAS TRANSMISSION COMPANY

1. WE ARE REPEATING BELOW FOR THE INFORMATION OF THE  
DEPARTMENT OF STATE OR THE DEPARTMENT OF ENERGY A  
MESSAGE RECEIVED BY THE AMBASSADOR NOV. 23 FROM MR. JACK  
H. RAY, PRESIDENT OF THE TENNESSEE GAS TRANSMISSION  
COMPANY. PRESUMABLY THE TELEX REFERS TO THE CONVERSATIONS  
HELD NOVEMBER 23 IN NATIONAL PATRIMONY BETWEEN GOM AND A  
STATE/DOE TEAM. WE DO NOT KNOW WHAT PUBLICITY HAS BEEN  
GIVEN TO THESE CONVERSATIONS AND WE HAVE AS YET MADE NO  
REPLY TO MR. RAY.

2. BEGIN TEXT. I AM ADVISED THAT OFFICIALS FROM YOUR  
DEPARTMENT APPROACHED PEMEX AND NATIONAL PATRIMONY THIS  
WEEK IN AN EFFORT TO RETRADE A COMMERCIAL NATURAL GAS  
DEAL WHICH WAS NEGOTIATED IN GOOD FAITH BY PRIVATE U.S.  
COMPANIES AND PETROLEOS MEXICANOS. THE BASIC TERMS OF  
THIS TRADE WERE PUBLICLY ANNOUNCED IN AUGUST 1977 AND  
NEGOTIATIONS HAVE CONTINUED ON THE DEFINITIVE CONTRACTS  
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SINCE THAT TIME. ONCE SUCH CONTRACTS ARE SIGNED, THE  
U.S. COMPANIES WILL SEEK APPROVAL OF THE ENERGY DEPART-  
MENT FOR IMPORTATION OF THE NATURAL GAS. AT THAT TIME,  
THE ENERGY DEPARTMENT (WITH THE INPUT OF THE STATE  
DEPARTMENT) CAN EITHER APPROVE, CONDITIONALLY APPROVE  
OR DISAPPROVE THE CONTRACTS, DEPENDING ON ITS JUDGMENT  
AS TO WHETHER THEY ARE IN THE PUBLIC INTEREST. IT IS

DIFFICULT AT BEST FOR PRIVATE AMERICAN COMPANIES TO  
NEGOTIATE WITH FOREIGN GOVERNMENTS WHEN FINAL CONTRACTS  
ARE SUBJECT TO U.S. GOVERNMENT APPROVAL. WE WISH TO  
ADVISE YOU THAT DIRECT INTERVENTION OF OUR GOVERNMENT IN  
THE CONTRACT NEGOTIATIONS MAKES THE TASK MUCH MORE  
DIFFICULT AND CREATES CONFUSION AMONG ALL PARTIES. WE  
SERIOUSLY QUESTION THE PROPRIETY OF THE ACTIONS OF YOUR  
OFFICIALS. IN THE MEANTIME, IF WE CAN BE OF ANY ASSIST-  
ANCE, WE WOULD BE PLEASED TO DISCUSS THE PROJECT WITH  
YOU AT YOUR CONVENIENCE. SINCERELY, JACK H. RAY,  
PRESIDENT TENNESSEE GAS TRANSMISSION COMPANY. END TEXT.

3. WE UNDERSTAND THAT THE DEPARTMENT MAY HAVE RECEIVED  
A SIMILAR COMMUNICATION FROM THE PIPELINE COMPANY  
CONCERNING DISCUSSIONS WITH MEXICAN OFFICIALS. WE WOULD  
APPRECIATE RECEIVING THE DEPARTMENT'S COMMENTS. LUCEY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESIDENT, PETROLEUM INDUSTRY, TEXT, MEETINGS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 452970  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** WIRENOTE FROM JACK H. RAY, PRESIDENT, TENNESSEE GAS TRANSMISSION COMPANY  
**TAGS:** BEXP, EFIN, ENRG, MX, (RAY, JACK H)  
**To:** STATE  
**Type:** TE  
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